



# **Indiana University**

# **FY 2021-23 Biennial Budget Request**

# **Indiana Commission for Higher Education**

President Michael McRobbie

September 10, 2020

INDIANA UNIVERSITY

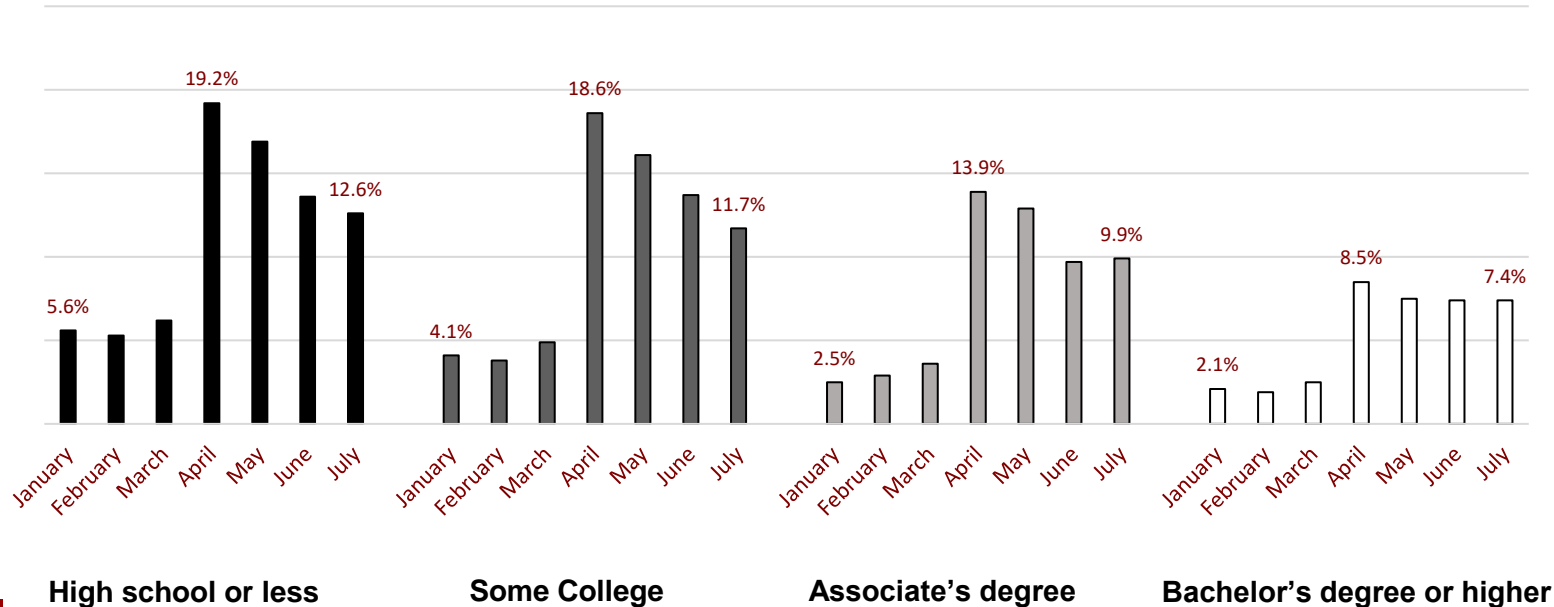
1. Significance of Higher Education in Today's World
2. IU Poised to Propel All Hoosiers Forward
3. Statewide Economic Impact
4. Enrollment Update
5. 2021 Operating Budget
6. Biennial Budget Request
7. Strengthening Indiana's Fight Against COVID-19



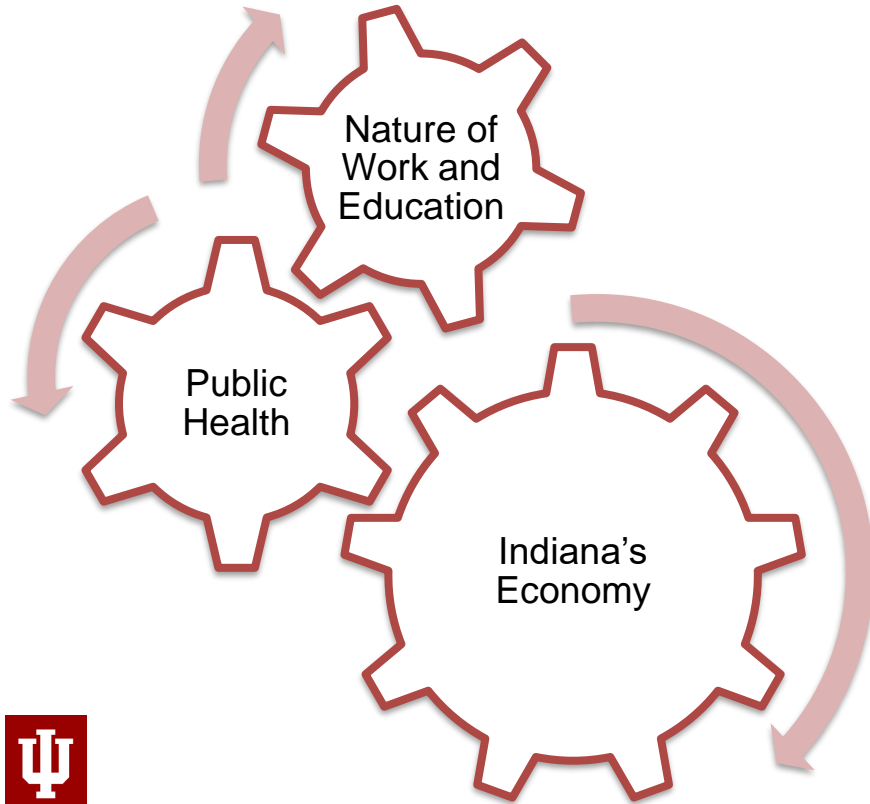
# Education's Influence on Unemployment

- At peak unemployment in April, 20% of workers without a college degree were unemployed compared to only 8.5% with at least a 4-year degree.

**Percent Unemployed  
January-July 2020**



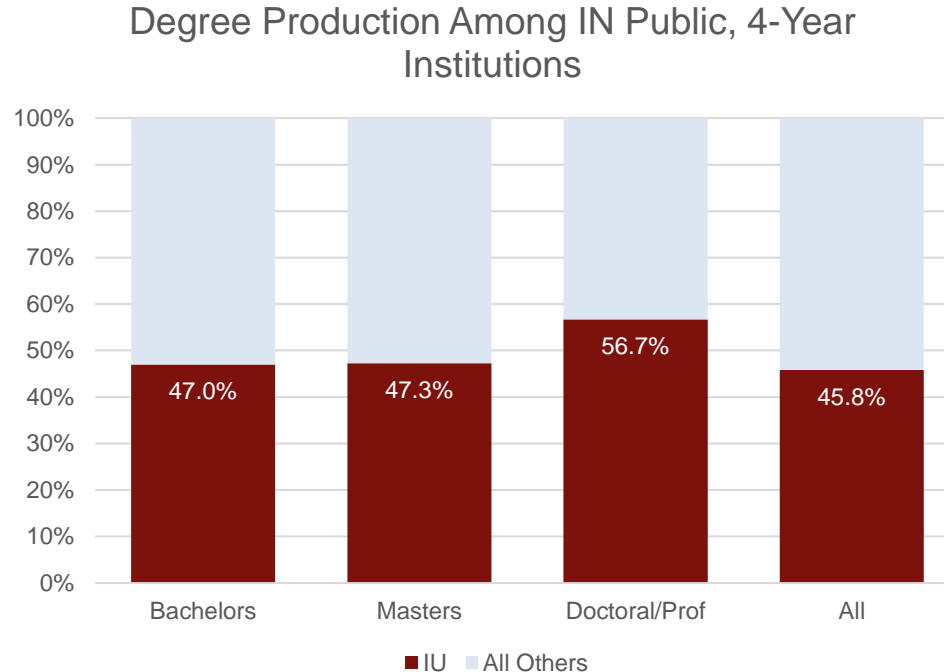
# Indiana University Poised to Propel All Hoosiers Forward



- 80% of in-demand jobs in Indiana require some level of college education.
- The largest job losses have been seen in the leisure and hospitality, wholesale and retail, and manufacturing industries—industries where a college education is required less often and jobs are nearly impossible to do remotely.

# IU a Leader in Degrees Awarded

- In FY 2020, IU produced 22,334 degrees, which is a 25% increase since FY 2010.



# Preparing Students for Future Success

## Affordability

- **Annual student loan borrowing dropped by \$140.6 million (21.6%) over the past eight years.**
- Undergraduate student gift aid has increased by 51.1% over the past eight years totaling \$132.7 million in 2019-2020.

## Career Preparation

- In FY 2019, **over 21,000 students participated in career coaching sessions** to learn about resume writing, career exploration, interview preparation, etc.
- IU is using one platform, Handshake, to connect students and employers for internships, part-time, and full-time employment.

## Student Success

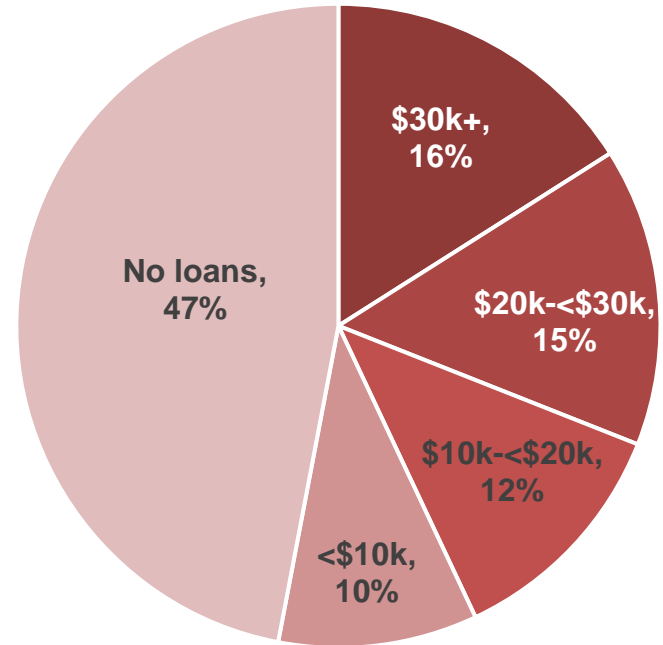
- In FY 2019, **the career outcome (those who found employment or entered graduate or professional school) rate of IU was 93% for students** who received an undergraduate degree.
- Of the students who responded to the career outcomes survey as accepting employment, **83% secured employment in their field of study.**



# Affordability Focus: Decreasing Student Loan Debt

- 47% of bachelor's degree graduates have no student loan debt **while 84% have student loan debt less than \$30,000 or no debt.**
- Average debt for IU graduates has decreased from \$28,801 to \$26,617 (-8%) since FY 2014.
  - At the regional campuses, average student loan debt is as low as \$23,929.
- Based on average earnings and average debt of IU bachelor's recipients with full-time jobs, monthly debt payments are 6.9% of monthly income, which is less than the generally accepted rule of 10%.

IU Bachelor Completers by Levels  
of Cumulative Debt



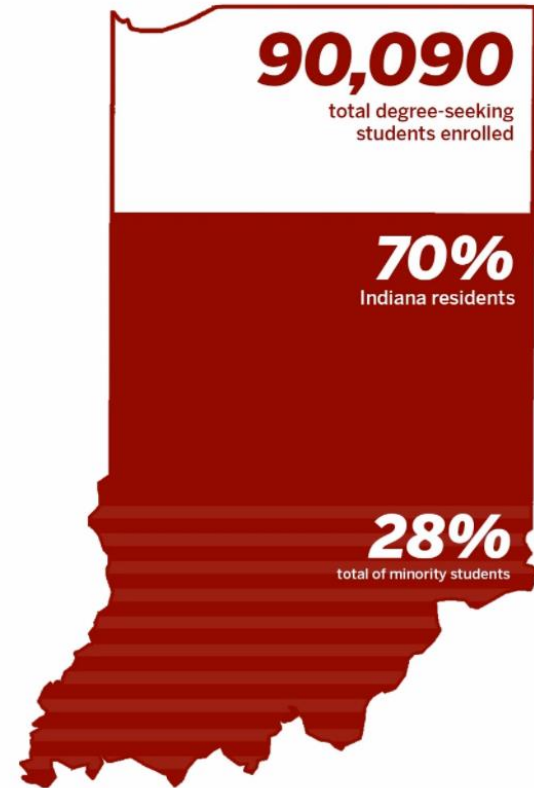
# Focusing on Equity and Diversity

## Student Diversity

- Between 2005 and 2020, domestic minority student enrollment increased by 110.7%.
- IU's percentage of minority students exceeds the State's minority population percentage.
- Of all Indiana's public institutions, IU has the largest number of minority students.

## Pell Students and 21<sup>st</sup> Century Scholars

- IU has 6,000 (or 56%) more Pell students than the entire Ivy League.
- IU has seen a 32% increase in 21<sup>st</sup> Century Scholar recipients since FY 2015.
- Across all IU campuses, on-time completion rates over a 5-year period are up, and on-time completion has increased anywhere from 8.4% to 28.3%.





# Statewide Economic Impact of Indiana University

# Economic Impacts Created by IU in FY 2018-19

- IU created \$9.9 billion in added income for Indiana in FY 2018-19.
- One out of every 26 jobs in Indiana is supported by the activities of IU and its students.
- For every \$1.00 students invest in their education at IU, they will receive \$3.50 in higher future earnings.



Source: The Economic Value of Indiana University by Emsi: Labor Market Analytics, an affiliate of the Strada Education Network



**\$1.9 billion**  
Operations Spending Impact



**\$464.7 million**  
Research Spending Impact



**\$65.2 million**  
Construction Spending Impact



**\$106 million**  
Start-up & Spin-off Company Impact



**\$79.8 million**  
Visitor Spending Impact



**\$268.7 million**  
Student Spending Impact



**\$7 billion**  
Alumni Impact



**\$9.9 billion**  
TOTAL IMPACT

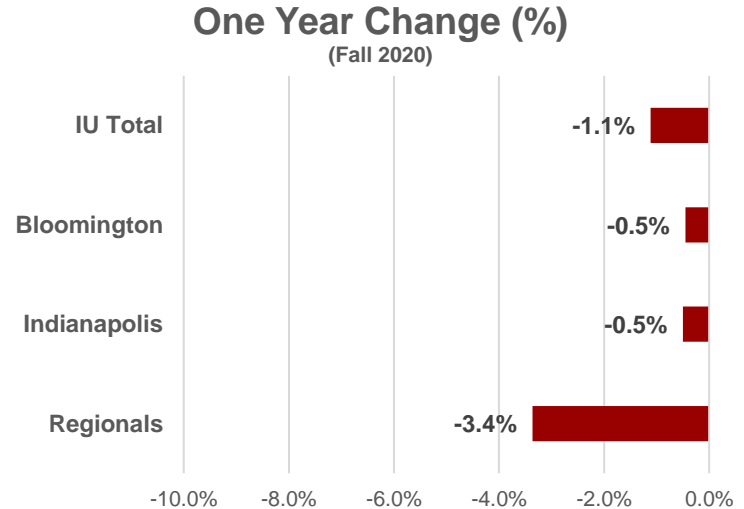
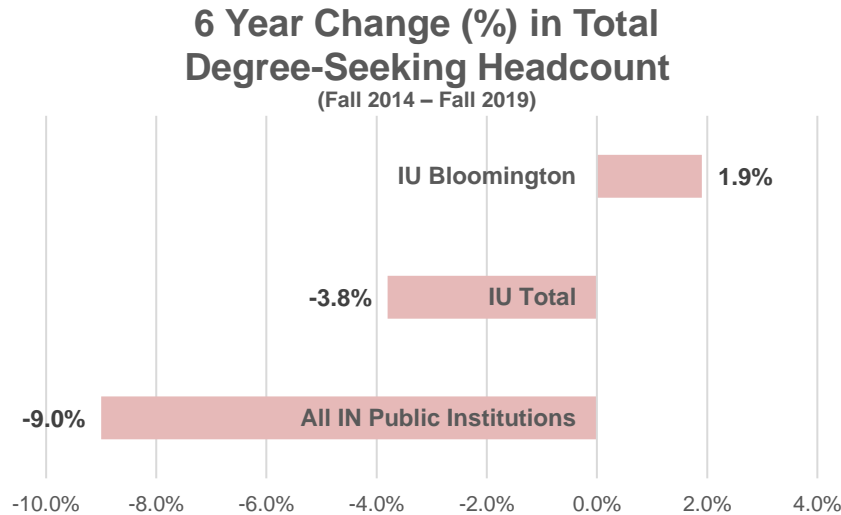
– OR –

**151,015**  
JOBS SUPPORTED

# Fall 2020 Enrollment

# Fall 2020 Enrollment

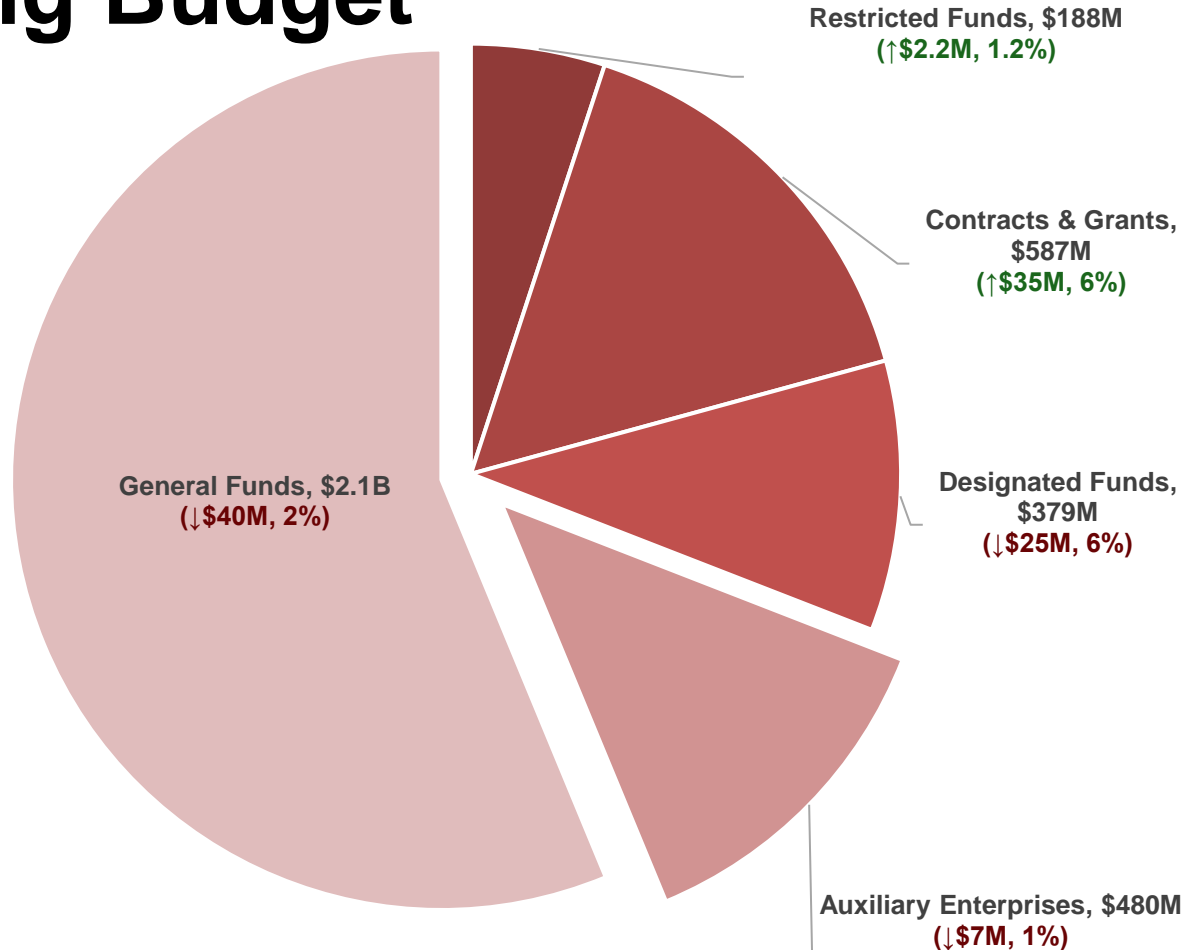
- Given the environment, enrollment across all campuses is relatively stable for FY 2021 compared to FY 2020.
- In total, IU has over 92,500 degree-seeking students enrolled in 1.2 million credit hours



# **IU's FY 2021 Budget**

# FY 2021 Operating Budget

- IU's FY 2021 total budget is \$3.7 billion, a reduction of \$35 million compared to FY 2020.
- Budget reduction targets from the University's General Fund were set at 5% per budgetary unit.
- Total reductions of the General Fund for FY 2021 exceeded targets by \$14 million.



# **2021-2023 Biennial Budget Request**

# Biennial Request: Operating Funds

- Success on Performance Funding Metrics

## Performance Funding Summary Model - 2021-23

	BL	IUPUI	EA	KO	NW	SB	SE
Overall Degree Completion							
Bachelor's Degree	-15	329	76	44	31	1	5
Master's Degree	51	6	1	-2	-22	14	-5
Doctoral Degree	-12	-9	0	0	0	0	0
STEM Degree Completion							
Bachelor's Degree	8	206	6	-5	10	0	1
Master's Degree	4	4	3	0	0	-3	0
Doctoral Degree	-2	7	0	0	0	0	0
At Risk	-6	-39	6	-11	8	-33	-33
At-Risk, On-Time	5.9%	11.0%	9.0%	4.8%	8.2%	5.7%	5.9%
At-Risk Composite Value**	74	159	16	11	22	23	19
On-Time***	262	393	36	35	49	58	47
Student Persistence***							
30			0	23	42	25	-15
60			30	32	43	76	68
90			31	39	53	65	61

\*\* New Composite Value adds the overall, At-Risk degree completers with the Per Unit Value of At-Risk, On-Time recipients

\*\*\* Per Unit Value - Change in 3-year rate x latest average 3-year cohort size





# Biennial Request: Existing Line Items

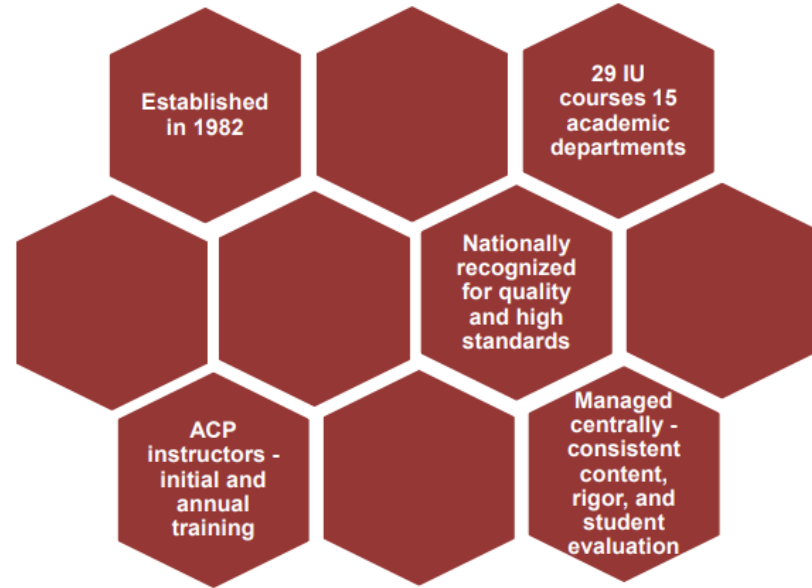
- Requesting Line Items be held flat at the originally appropriated FY 2021 levels.

Special State Line Item	FY21 Appropriation	7% Reduction	FY21 Adjusted Appropriation
Global Network Operations Center	\$ 721,861	\$ (50,530)	\$ 671,331
Clinical and Translational Science Institute	\$ 2,500,000	\$ (175,000)	\$ 2,325,000
Dual Credit: Indiana University System	\$ 2,698,429	\$ (188,890)	\$ 2,509,539
Geological Survey	\$ 2,783,782	\$ (194,865)	\$ 2,588,917
I-Light Network Operations	\$ 1,508,628	\$ (105,604)	\$ 1,403,024
Indiana GigaPoP	\$ 672,562	\$ (47,079)	\$ 625,483
Institute for the Study of Developmental Disabilities	\$ 2,491,824	\$ (174,428)	\$ 2,317,396
Spinal Cord and Head Injury Research	\$ 553,429	\$ (38,740)	\$ 514,689
<b>Total</b>	<b>\$ 13,930,515</b>	<b>\$ (975,136)</b>	<b>\$ 12,955,379</b>



# Biennial Request: Dual Credit

- 2<sup>nd</sup> largest dual credit provider in the state with national recognition for quality and high standards.
  - Enrolls more than 20,000 students annually
- IU currently supports roughly 25% of the dual credit teachers statewide, which includes:
  - Provision of tuition-free graduate courses;
  - Training and oversight;
  - Curriculum development, etc.
- Requesting that Dual Credit funding of \$50 per credit hour be reinstated.



# Biennial Request: Capital Project Priorities

1. Indianapolis Academic Health Center Medical Education and Research Facility – \$75,000,000
  - \$75,000,000 total request; remainder of funding provided by private grants and IU School of Medicine funds for estimated total project cost of \$245,000,000
2. IU Bloomington School of Public Health Renovation – \$65,000,000
3. Regional Campus Deferred Maintenance Phase V – \$25,000,000
  - East, Kokomo, Northwest, South Bend, and Southeast campuses
4. IU School of Dentistry Renovation at IUPUI – \$20,000,000
5. IU Bloomington Multidisciplinary Research/Informatics Science (Artificial Intelligence) Building IV – \$50,000,000



# Capital Priority 1: Indianapolis Academic Health Center Medical Education and Research Facility

- IU School of Medicine is the largest medical school in the U.S. and only medical school in Indiana.
- Physicians and scientists at the School of Medicine were awarded \$549 million in research grants and awards in FY 2020.
- Medical students benefit from a strong integration of basic science knowledge and clinical experiences including an emphasis on interprofessional education to prepare the next generation of healers to transform health and wellness in Indiana and beyond
- Construct a new primary campus for IU School of Medicine in conjunction with planned expansion by IU Health at Methodist Hospital site, creating one of the largest hospital sites in the state of Indiana.
- Requesting \$75 million in state funding for this 350,000 GSF project.
  - Remainder of funding provided by private grants and IU School of Medicine funds for estimated total project cost of \$245 million



# Biennial Request: R&R Formula

- Maintain existing academic, research and administrative facilities, 64% of which are 40 years old or more for all campuses (75% for Bloomington campus)
- State formula funding – anticipating and addressing maintenance needs in a long-term plan to stay ahead of needs and eliminate project deferment
  - The appropriation requested based on the formula is \$15.78 million in both FY 2022 and FY 2023



# **Strengthening Indiana's Fight Against COVID-19**



# IU's Critical Role in the Global Fight Against COVID-19

- **School of Medicine** research into HPV quickly pivoted to COVID-19 because of similar epidemiology
- **AstraZeneca vaccine Phase III trial** test site and research partner
- Clinical trials for **convalescent therapies** such as plasma and hydroxychloroquine



# IU's Critical Role in the State Fight Against COVID-19

- **ISDH** partnership with the IU Richard M. Fairbanks School of Public Health at IUPUI
- **OCRA** partnership with the IU Center for Rural Engagement and the IU School of Public Health Bloomington
- **FSSA** partnership with the Indiana Clinical and Translational Sciences Institute's (CTSI) Monon Collaborative at IU





# IU's Critical Role in the Local Fight Against COVID-19

- Indiana Small Business Development Centers, economic development centers, chambers of commerce, and business hubs partnership with the IU Kelley School of Business to help small businesses move their operations online.
- As part of IU's third Grand Challenges initiative, Addressing Opioid Addiction, a team is studying management of substance abuse disorder recovery during the pandemic.
- IU High School, which offers online instruction, shared its curriculum with schools across Indiana to help transition to remote teaching and learning.



# Questions?



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